

Title: *Central Business District Parking Strategy and Contribution Plan*

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1 Policy Summary

This plan provides a series of policy statements and action plans designed to achieve City of Darwin's objectives in relation to car parking within its Central Business Zone; and, in the Contribution Plan, the basis for collection of development contributions for car parking for which a need will arise as a result of development within the CBD.

2 Policy Objectives

The objective of the Central Business Zone Parking Policy is to:

- support the Central Business Zone as a viable centre of activity;
- provide adequate parking;
- promote and provide for non car options and car sharing;
- ensure that pricing structures for on and off-street parking are commercially realistic and support economic development;
- ensure that in lieu car parking contribution and shortfall rates reflect the cost that will be incurred for the provision for the provision of future facilities;
- maximise the utilisation of existing on and off-street car parking facilities;
- ensure that future facilities are planned for and appropriately funded;
- ensure that existing and future multi story parking facilities are energy efficient and that future facilities are capable of reuse.

3 Background

This plan was developed in accordance with the requirements of the NT *Planning Act* which enabled a development contribution to be made towards infrastructure or public car parking in accordance with a Contribution Plan which is specific to:

- a location;
- land uses of the area; and
- anticipated future developments.

4 Policy Statement

Area Of Application

For the purposes of this policy, the “Central Business Zone” is the historical Central Business Zone area bounded by the Esplanade, Daly Street and McMinn Street. It is also the area to which the Council’s rateable shortfall levy applies, and the area to which the Council’s data base on private parking spaces relates.

The policy comprises of the following policy statements and action plans:

Policy Statement No. 1

To facilitate the availability and efficient operation of on and off-street parking facilities, whereby operating costs are met by the users, is consolidated over the next decade.

It will be necessary to continue the use of Council’s detailed economic model for staged implementation of legislative and financial action plans to achieve the desired outcome within an acceptable time frame.

Policy Statement No. 2

Where consistent with other planning objectives, encourage the maximum usage of public parking facilities throughout the entire day.

This policy acknowledges the need to maximize use of the public asset (day and night) to increase both the community benefit and economic viability.

Policy Statement No. 3

Seek to achieve equity in costs for car parking by the developers who:

- have provided on-site parking;
- have not provided parking facilities, but who have paid in-lieu;
- have not provided parking or in-lieu contribution payment.

The effective implementation of this policy will involve the development of strategies and actions which account in a balanced way for parking bays provided under previous legislative arrangements, and those currently prevailing. In particular, it acknowledges that annual parking levies under the Darwin Parking Local Rates Regulations will remain in force and recognises that Council has in place an exit mechanism for those who do not wish to continue payment.

Policy Statement No. 4

Ensure that in-lieu car parking contributions and shortfall rate charges reflect realistic costs that would be incurred in the provision of convenient city public car parking in the vicinity of the development and that appropriate legislative arrangements including Contribution Plans are put in place.

This policy acknowledges the public responsibility of Council to ensure that contributions or rate levies under the Planning Act or the Darwin Parking Local Rates Regulations are consistent with real costs of providing those spaces not accommodated within the development. Similarly it acknowledges the obligation to establish a physical and economic plan to provide those spaces so funded within an appropriate location and time frame. The outcome is a funded and staged city car park implementation business plan.

Policy Statement No. 5

Maintain forward physical and financial plans for the upgrading, development and redevelopment of public on and off-street parking facilities in accordance with the principles of the Contribution Plans required under the Planning Act.

This is a requirement of the Planning Act.

Policy Statement No. 6

In choosing sites for future multi-level public parking facilities to serve the Darwin Central Business Zone, have regard for the location of the site in relation to the Central Business Zone core area, as well as future site access and future traffic flows as a consequence of the construction of the future Barneson Street connector road and all other relevant issues.

This policy will ensure that future public parking facilities are developed in the optimum location to serve the Central Business Zone core area.

Policy Statement No. 7

Develop public car parking facilities on Council land in as efficient a manner as possible, having regard for sustainability, optimum design criteria, optimum usage of the lot for parking purposes, and optimum financial benefit to the Council.

Council land designated for public parking purposes should be used and developed for that purpose unless there are compelling reasons to the contrary. If commercial development is permitted, the net number of additional public parking spaces required on the lot, in terms of the relevant parking strategy, should always be attained.

Policy Statement No. 8

Maintain a pricing structure for on and off-street parking which is economically viable and fosters good economic development in the best interest of the city, having regard for all issues relating to the supply and demand of car parking in the Darwin Central Business Zone.

Charges in respect of both on and off-street facilities should be increased, in real terms, every few years in accordance with pre-determined parking strategies. Council should strive to ensure that, at the very least, charges keep pace with inflation at other times.

Policy Statement No. 9

Council supports the use of non car options such as public transport, cycling, walking, motor cycles and car sharing.

This policy statement reflects Council's support for non car options and other alternatives which will lead to positive environmental and health outcomes.

Policy Statement No. 10

Council will strive to ensure that existing and future multi-storey parking facilities maximise energy efficiency and will be designed to be capable of reuse by not allowing sloping floor decks or low floor to ceiling clearances.

Action Plans

Action Plan No. 1

Review current parking operations to assess if income and expenditure for both on and off-street parking are at optimum levels.

Action Plan No. 2

More actively market off-street parking facilities to maximise usage of current infrastructure.

Action Plan No. 3

Review on-street parking time limits, disability and special zones to ensure optimum supply and durations at intervals of not greater than 2 years.

Action Plan No. 4

Prepare concept plans for the construction of an 800 bay multi-level public parking facility on the Council-owned existing Cavenagh Street ground level public parking facility (at about population level 135,000 for Greater Darwin area), and, in the medium term, the retention of approximately 200 of the existing 393 ground level parking bays. Particular attention should be given to the possibility of direct access to the new facility being gained from the proposed Barneson Street connector road.

Action Plan No. 5

Take the necessary steps to acquire a portion of Lot 5649 McMinn Street, located in the western corner of the lot at the intersection of McMinn Street and Barneson Street, in the vicinity of the old Shell depot, and which has an area of approximately 4,500 square metres, for the purposes of:

- (a) Initially, constructing a ground level public parking facility to accommodate approximately 200 vehicles when the existing McMinn Street facility is resumed by the N.T. Government for the duplication of McMinn Street, and ;**
- (b) Constructing a multi-level public parking facility, (at about population level 160,000 for Greater Darwin area), to accommodate approximately 800 vehicles.**

Action Plan No. 6

In the event that the portion of Lot 5649 McMinn Street is not available for the development of future parking facilities, explore other options, including the staged construction of two multi level facilities on the Cavenagh Street site, at approximate population levels for Greater Darwin of 135,000 and 155,000, and the option of constructing the second multi-level facility on the Mitchell/Daly street site at approximate population level 155,000.

Action Plan No. 7

In conjunction with the Northern Territory Government, carry out a detailed review of car parking generation rates in the Central Business Zone, with a view to requesting the Northern Territory Government to appropriately amend the Planning Scheme if the review finds significant differences between the actual rates and the provisions of the Planning Scheme.

Action Plan No. 8

Encourage the Northern Territory Government to implement similar parking strategies and pricing regime to maintain consistencies and commodity value.

Action Plan No. 9

Actively support and promote non car options and car sharing and upgrade cycling facilities within the Central Business Zone.

Proposed Action Plan No. 10

Conduct an energy audit at West Lane and Chinatown Car Park's and implement findings.

Proposed Action Plan No. 11

Optimise parking management by ensuring that cost effective durable technology is in place and undertake high levels of enforcement.

Proposed Action Plan No. 12

Review the role, function and composition of the Central Business Zone Parking Advisory Committee.

Proposed Action Plan No. 13

Review the Parking Policy and Action Plans at not more than five year intervals.

The Strategy is supported by the Central Business Zone Car Parking Contribution Plan – attached to this Policy. Refer Attachment 1

5 Legislation, terminology and references

NT Planning Act
Central Business Zone Car Parking Contribution Plan

6 Implementation and delegation

Implementation is by way of the attached contribution Plan.

7 Evaluation and review

It is proposed to review the Parking Policy and Action Plans at not more than five year intervals.

Attachment 1 - Car Parking Contribution Plan Central Business Zone

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1 **Introduction**

1.1 **Definitions**

“**Act**” means the *Planning Act* (NT) or any Act amending or in substitution for that Act.

“**Council**” means the City of Darwin, being a “service authority” within the meaning of the Act.

“**Planning Scheme**” means the Northern Territory Planning Scheme, being a planning scheme under the Act.

“**Policy Area**” means the Central Business Zone of the Darwin Municipality as described in the Planning Scheme.

1.2 **Purpose of the Plan**

This plan provides the basis for collection of development contributions for public car parking for which a need will arise as a result of development within the Policy Area.

This plan has been developed by City of Darwin in accordance with the requirements of the Act.

The establishment of a Contribution Plan for infrastructure capital works in relation to public car parking is consistent with the Infrastructure Management goal as detailed in the City of Darwin Action Plan 2004-2008. In particular, with respect to Car Parking, this is “to provide adequate and appropriate parking facilities in a timely manner”.

1.3 **Administration**

Developer contributions received by the City of Darwin under this Plan will be kept in a separate Trust Account for Car Parking Development Contributions in accordance with the requirements of section 72 of the Act.

Expenditure will be auditable, and within a reasonable period of time, having regard to all of the circumstances, expended on the provision of public car parking infrastructure in the Policy Area.

All interest in this account will be retained in and accrue to the balance standing in the account and expended on public car parking infrastructure within the Policy Area.

Any expenditure from car parking reserves is identified in City of Darwin's annual budget. Details on the infrastructure funded from this Contribution Plan and/or other funding sources is also provided within City of Darwin's annual budget.

1.4 Standards

The minimum standards of car parking infrastructure to be implemented are those provided by "Australian Standards".

1.5 Other Issues

Council has established the Darwin CBD Car Parking Advisory Committee, which will provide advice to Council with respect to car parking provision and management within the Central Business Zone. This Committee is made up of representatives from Elected members, the NT Government, the private sector and the community.

This Contribution Plan will be reviewed periodically to ensure that it reflects changing circumstances, such as:

- changes to land and construction costs;
- population trends and community needs and expectations; and
- modifications to proposed capital works.

Contribution plans are developed using information available at the present time. A number of variables will be monitored by Council to facilitate the review process, such as:

- land costs;
- construction costs;
- projected development rate;
- levels of demand / need;
- land use intensity / development intensity;
- infrastructure standards;
- anticipated population;
- tourist activity; and
- public transport provision and use.

Notwithstanding the annual changes, where major changes are observed to key variables used in determining contributions, Council may review this plan at any time.

2. Policy

2.1 Introduction

The overall policy of the City of Darwin is to have a Contribution Plan for car parking infrastructure that provides certainty to the City of Darwin, to developers and to the community with respect to the funding and provision of such infrastructure through:

- setting of infrastructure standards and service provision;
- consideration of the impact of the proposed development;
- consideration of Council's policies;
- consideration of the type and capacity of infrastructure already in place; and
- the methodology for determining the amount and timing of the developer contribution.

2.2 Policy Objectives

The over-arching policy objectives with respect to car parking infrastructure provision of the City of Darwin relate to:

- the City of Darwin's financial position;
- appropriate infrastructure standards;
- orderly development within the Policy Area; and
- appropriate management of infrastructure.

City of Darwin recognises that developers are seeking the efficient supply of affordable land and housing to the community and the provision of commercially viable development projects.

2.3 Underlying Philosophy

City of Darwin supports the philosophy that:

“Developers should contribute to the cost of physical and community infrastructure to the extent that the demand for such infrastructure is generated by their specific development, at appropriate standards and to meet threshold demand, in accordance with legislative provisions” (Urban Development Institute of Australia, 1998).

City of Darwin supports the view that the requirements of the existing population should be provided for separately from the development. That is, development is viewed as incremental to the existing situation and costs of infrastructure (new or enhanced) should be borne by the Developer (i.e. the beneficiary).

City of Darwin also recognises that the obligation to fund infrastructure beyond the extent to which it is required by a specific development and beyond the appropriate standard must rest with the community.

2.4 Other Issues

The implementation of a Contribution Plan for car parking infrastructure is underpinned by the following elements:

- an infrastructure need must exist;
- equity in the apportionment of the cost of car parking infrastructure;
- a nexus between proposed development and infrastructure provision; and
- accountability in the expenditure of the developer contributions.

3. Policy Area

3.1 Introduction

Development will result in an increased need for car parking facilities due to:

- an increase in the local population; and/or
- a change in land use; and/or
- the development of vacant land resulting in additional total demand.

Increased intensity of land use can also increase the infrastructure requirement.

3.2 Policy Area

The Policy Area relating to this Contribution Plan is the Central Business Zone in the Municipality of Darwin.

Council will endeavor to ensure that future car parking facilities are provided within a reasonable distance of the development(s) for which contributions have been collected. Where this is not practical, Council will endeavor to ensure that reasonable and sensible location of facilities is undertaken. Council is not able to guarantee that facilities will be provided in a single site in close proximity to the development(s). Provision for car parking may be over a number of facilities.

It is proposed that new public car parking facilities in the Policy Area will be multi-storey:

Council will provide to Developers (upon request) details of the existing car parking facilities such as:

- location;
- entry / exit points;
- revenue collection devices;
- signage; and
- capacities.

4. Description, Staging and Costings for Parking Facilities in Policy Area

4.1 Requirements of Section 69 of the Act

Subsections 69(4)(a), (b) & (c) of the Act require a Contribution Plan to contain:

- (a) a description of the public car parking facilities that is or will be required in the Policy Area;
- (b) a statement of the intended order in which works relating to the development of the public car parking is to occur.
- (c) An estimate of, and the method of calculating, the capital cost of the works relating to each public car park.

4.2 Description of Car Parking Required

Development within the Policy Area will lead to increased demand for car parking facilities. Much of this additional capacity will be provided by Developers under existing planning requirements. Where car parking is not provided at the prescribed level under planning requirements, Council will ensure that adequate provision is made.

In preparing capital works programs for future investment by Council (which will be designed to accommodate growth in population and other outcomes of growth in economic activity, such as demand for car parking spaces), it will be necessary to provide assessments of the key 'drivers' of demand for infrastructure or infrastructure enhancement, including:

- identification of sites within the Municipality in terms of location, area (total and developable), likely development timeline, car parking requirements, itemized capital costs, and population (density, occupancy ratios etc.);
- likely changes to land use density in the Municipality;
- expected trends in commercial and residential construction (density, style of development etc.);

With respect to car parking provision within the Central Business Zone, a key input for consideration in terms of demand (needs analysis) and Council's expected capital works in this area is Attachment A to Council's Report Number 06TS0291 which is Report Number 3/2005 (*Amendment No. 3, Updated to October, 2006*) entitled *Parking Strategy for Darwin Central Business District*. This strategy provides estimates of the future requirement for Council-provided car parking within the Central Business Zone.

A key element of this strategy is that future Council-provided car parking facilities within the Central Business Zone will be by way of multi-storey facilities. Temporary ground level facilities may, in the short term, be provided on land which is designated for future multi-level development in the longer term.

The strategy incorporates the following elements in the short to medium term:

- Construction of 800 bay multi-level public parking facility at existing Cavenagh Street car park at year 2014 or thereabouts;
- Acquisition of land on Central Business Zone periphery for future longer term development of 1000 bay multi-level public parking facility at year 2024 or thereabouts;

- Construction of temporary 200 bay ground level car park, at year 2010 or thereabouts, on land on Central Business Zone periphery, which has been designated for future long term multi-level car park development;
- Construction of 1000 bay multi-level public parking facility, at year 2024 or thereabouts, on designated land on Central Business Zone periphery.

4.3 Intended Order for Development

Staging with respect to facilities in the Central Business Zone are detailed in *Report Number 3/2005 (Amendment No. 3, Updated to October, 2006)* entitled *Parking Strategy for Darwin Central Business District* as described in the previous section. In general terms, staging of the car parking infrastructure investment associated with development, in all policy areas, will be dependent on:

- rate of growth / take up of development sites;
- car parking occupancies;
- land acquisition processes / site availability; and
- funding availability.

4.4 Estimate of, and Method for Calculating Capital Costs of Car Parking

Consistent with Council's objective of certainty, cost estimates of future works and developer contributions charges contained within the Contribution Plan have been assessed on the basis of (Sections 67 to 74 inclusive) of the Act and derived from information provided by a suitably qualified local Quantity Surveyor.

An estimate of and method for calculating capital cost for each car park is set out and described below:

- The estimated construction cost of a 800 bay multi-level public parking facility at existing Cavenagh Street car park at year 2014 or thereabouts is $800 \times \$31,000 = \$24,800,000$ in 2007 dollars;
- The estimated cost of the acquisition of land on Central Business Zone periphery for future longer term development of 1000 bay multi-level public parking facility at year 2024 or thereabouts is \$1,500,000 in 2007 dollars;

- The estimated construction cost of temporary 200 bay ground level car park, at year 2010 or thereabouts, on land on Central Business Zone periphery, which has been designated for future long term multi-level car park development is 4,500 square meters x \$136 = \$612,000 (excluding land) in 2007 dollars;
- The estimated construction cost of 1000 bay multi-level public parking facility, at year 2024 or thereabouts, on designated land on Central Business Zone periphery is 1,000 x \$31,000 = \$31,000,000 in 2007 dollars.

The above mentioned costings are based on estimated construction and land value rates supplied by an independent Quantity Surveyor, using land values as provided by property consultants within Darwin on the value of various lots within the Central Business Zone.

The calculations were based on the following:

- Average area per ground level bay = 28 square metres;
- Average area per multi-storey bay = 30 square metres;
- A construction cost for ground level bays of \$124 per square metre;
- A construction cost for multi-storey bays of \$760 per square metre;
- An average land value in the peripheral area of the Central Business Zone of \$1,000 per square metre;

These estimated construction and land value costs including GST and are current as at March, 2007. It should be noted that these costings will be subject to review every 12 months, in accordance with Section 5.2 of this document. (*Adjustment of Contributions*).

The annual future adjustments included in 5.3 *Adjustment of Contributions* of this Contribution Plan will be based on percentage construction cost increases over the previous 12 months, as determined by a suitably qualified local Quantity Surveyor and on percentage increases in land values over the previous 12 months, as determined by the Valuer General.

5. Formulae for Calculating Contribution and Adjustments

5.1 Formula for Calculating Contribution

If a condition of a development permit granted under the Act in respect of land within the Policy Area requires that a contribution be paid to Council instead of providing a specified number of car parking spaces as part of the development, the contribution to be paid to Council is to be calculated in accordance with the following formulae:

A.) Where no basement parking is provided,

$$\text{Contribution} = \frac{\text{SFB} \times \text{CC}}{2}$$

Where:

SFB = the number of car parking spaces specified in the development permit, being the shortfall between the number required under the Planning Scheme and the number to be actually provided.

CC = the contribution rate, namely \$31,000, (adjusted in accordance with Section 5.2 of this document, *Adjustment of Contributions*, annually).

CC has been based on the estimated construction costs (including GST) and land values of a 500 bay multi-storey facility in the Central Business Zone as at 21 March 2007, namely \$15.5m.

B.) Where basement parking is provided,

$$\text{Contribution} = \frac{\text{CB} \times \text{CC}}{2}$$

Where:

CB = the number of shortfall bays in respect of which a contribution to Council for a parking shortfall will apply, after consideration of the basement discounting mechanism defined in Section 5.3 of this document, *Basement Discounting Mechanism*.

CC = the contribution rate, namely \$31,000, (adjusted in accordance with Section 5.2 of this document, *Adjustment of Contributions*, annually).

5.2 Adjustment of Contributions

For the purposes of the formula in paragraph 5.1, “CC” will be adjusted annually on the 1st of July in each year (“the Adjustment Date”) in accordance with the following formula:

$$CC = CC^1 \times (1.0 + ((Z/100 + L/100)/2))$$

Where:

CC is the adjusted contribution rate payable as and from the Adjustment Date.

CC¹ is the contribution rate payable immediately prior to the Adjustment Date.

Z = the percentage increase in construction cost in Darwin over the 12 months immediately prior to the Adjustment Date (as determined by a suitably qualified local Quantity Surveyor); and

L = the percentage increase in Darwin Central Business Zone land value over the previous 12 months immediately prior to the Adjustment Date (as determined by the Valuer General).

5.3 Basement Discounting Mechanism

In order to encourage developers in the Central Business Zone to provide as much of the required parking spaces (as determined by the Development Consent Authority) below ground level, the Council has adopted a policy whereby developers can be granted a reduction in the total number of parking spaces in respect of which a contribution to the Council must be made, if basement parking is incorporated within the development.

This discounting mechanism applies only to developments in the Central Business Zone, and is applied in terms of the following formula.

$CB = SFB - (0.3 \times BB)$ or zero, whichever is the greater, where:

CB = Number of shortfall bays in respect of which a contribution to Council for a parking shortfall will apply, after consideration of basement discounting mechanism

SFB = Number of shortfall bays as originally determined by the Development Consent Authority, prior to consideration of basement discounting mechanism

BB = Number of Basement Car Parking Bays in the development which meet the required standards.

6. **Payment of Contributions**

6.1 **Method of Payment**

The method of payment will be by way of a cash payment.

6.2 **Timing of Payment**

- (a) Where a development is associated with a change of use to which the land may be put or is a new development (other than a subdivision), payment is required prior to commencement of the new use or occupation. A *Certificate of Occupancy* will not be acceded to until all contribution payments have been received by Council.
- (b) Where payment is associated with a subdivision, payment is required on completion of physical infrastructure and prior to issue of titles. City of Darwin will not support the issue of a *Certificate of Completion* or clear its conditions within the Development Permit until all contribution payments are received.
- (c) Council and the holder of a Development Permit may enter into other arrangements for payment of developer contributions as otherwise specified in a written agreement.
- (d) If the payment of car parking contributions is a condition on a Development Permit, then payment is due at the completion stage of the project and before commencement of use. Council will not clear its conditions within the Development Permit until all contribution payments are received.

6.3 **Interest for late payment**

Late payment of contributions shall incur interest at the same rate as those charged from time to time on late payment of Council rates under the *Local Government Act*.